

CITY OF MCMINNVILLE
MINUTES OF DINNER MEETING of the McMinnville City Council
Held in the Conference Room at the Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, February 26, 2013 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Scott Hill	Kellie Menke
	Kevin Jeffries	Alan Ruden
	Paul May	Larry Yoder

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Community Development Department Director Mike Bisset, Police Chief Ron Noble, and a member of the news media, Nicole Montesano of the News Register.

DINNER

CALL TO ORDER: Mayor Olson called the meeting to order at 6:25 p.m. and welcomed all in attendance.

CIVIC HALL SECURITY: Police Chief Noble gave a brief overview of the security features now in place at Civic Hall.

SECOND HAND MERCHANT ORDINANCE: Police Chief Noble stated that the Second Hand Merchant Ordinance has been extremely successful. He noted that the theft rate in McMinnville has decreased approximately 19 percent in the past year; but the recovery rate has increased about 10.5 percent. He stated that Captain Marks would provide a review of the successes as part of the Regular Meeting. He pointed out that staff has worked very closely with affected merchants and most are now on board with the new program.

Mayor Olson noted that there would be no formal action on the proposed ordinance which would remove the sunset clause from Ordinance No. 4950 until the March 12, 2013 meeting. At that time, the ordinance would be read and voted on by the Council.

ADD ITEM: OREGON TRANSPORTATION INFRASTRUCTURE BANK LOAN - TERMS AND CONDITIONS LETTER: City Attorney Haines explained that the City had received a letter from the Oregon Department of Transportation (ODOT) regarding the Oregon Transportation Infrastructure Bank Loan - Terms and Conditions Letter for the Newberg - Dundee Bypass Phase 1. The letter asks that Mayor Olson sign the letter, acknowledging acceptance of the general terms and conditions of the loan. The letter must be received by April 1, 2013. The letter establishes a loan rate of 2.3 percent and is considered a "placeholder" for the loan. She explained that consensus is needed from the Council for Mayor Olson to sign the letter. City Manager Taylor noted that signing the letter would indicate agreement with the terms, but that the letter is not the actual loan papers. Discussion on the loan and the project ensued.

LOCAL TRANSIENT LODGING TAX PROPOSAL: City Manager Taylor explained that this meeting offered another opportunity to discuss the draft Local Transient Lodging Tax proposal. He stated that following discussion, the Council could direct staff to set a date for a public hearing.

ADJOURNMENT: Mayor Olson adjourned the meeting at 6:54 p.m.

Rose A. Lorenzen, Recording Secretary

CITY OF MCMINNVILLE
MINUTES OF REGULAR MEETING of the McMinnville City Council
Held at the Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, February 26, 2013, at 7:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

City Council:	<u>Present</u>	<u>Excused Absence</u>
	Scott Hill	Kellie Menke
	Kevin Jeffries	Alan Ruden
	Paul May	Larry Yoder

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Community Development Department Director Mike Bisset, Police Chief Ron Noble, Police Captain Dennis Marks, and a member of the news media, Nicole Montesano of the News Register.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:00 p.m. and welcomed those in attendance.

PLEDGE OF ALLEGIANCE: Councilor Menke led in the Pledge of Allegiance.

ADD ITEM: Mayor Olson advised that City Manager Taylor had recently been honored by Citycounty Insurance Services (CIS) as a 30-year member of its Board of Trustees. He read aloud the CIS press release announcing the honor. As a token of appreciation from the City Council and him, Mayor Olson presented Mr. Taylor with a gift certificate to a local restaurant.

CONSIDER MINUTES: Councilor Jeffries MOVED to adopt the minutes of the February 12, 2013 Dinner and Regular Meeting as submitted; SECONDED by Councilor Menke. Motion PASSED unanimously.

I

PUBLIC HEARING

I-A

7:00 P.M. PUBLIC HEARING REGARDING THE VACATION OF A PORTION OF WALNUT STREET BETWEEN CEDARWOOD AVENUE AND DRUMWOOD AVENUE (RV 1-12): Mayor Olson opened the public hearing at 7:07 p.m. and requested a staff report.

STAFF REPORT: Community Development Director Bisset referred to the memorandum, the Street Vacation application, and the ordinance located in the Council packets. He referred to the slide picture of the area that was depicted on the projector screen and oriented the Council to the location of the requested vacation. He explained that the piece was an undeveloped piece of right-of-way with no utilities located within the corridor. He noted that no comments or objections to the proposal had been heard and that the proposal had been published in the News Register for a two-week period and the site had been posted with the notice of intent to vacate. He advised that after the public hearing, staff recommended approval of the implementing ordinance.

PUBLIC TESTIMONY: Mayor Olson asked for public testimony on the matter. None was heard.

CLOSE PUBLIC HEARING: Mayor Olson closed the public hearing at 7:10 p.m.

Councilor Ruden asked how the vacated property would be divided. Community Development Director Bisset stated that the area would be equally divided between its north and south boundaries. He also noted that the vacation will become a recorded document and the County Surveyor will reset the boundary pins on the maps.

City Attorney Haines read by title only Ordinance No. 4962 vacating a portion of Walnut Street between Cedarwood Avenue and Drumwood Avenue (RV 1-12). (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 4962 PASSED by a unanimous roll-call vote.

II

OLD BUSINESS

II-A

DISCUSSION REGARDING A LOCAL TRANSIENT LODGING TAX IN McMINNVILLE: City Manager Taylor reminded the Council that in 2011 the McMinnville Downtown Association and the Greater McMinnville Area Chamber of Commerce representatives had approached the City Council with results from a member poll regarding the idea of a room or local lodging tax. Mr. Taylor reviewed their presentation

and noted that McMinnville is one of the few communities its size in Oregon that does not have a transient lodging tax. Seventy percent (70%) of the benefits of the proceeds would be directed to business and tourism promotion and development while the remaining thirty percent (30%) could be used for discretionary spending. He reminded the Council that at its recent Goal Setting session, the Council had determined that it would make a decision on the room tax. This was an opportunity to have informal discussion on the topic and to direct staff to prepare formal legislation; if that was the direction the Council chose to go. He outlined issues that the Council could discuss and settle on, including:

- Amount of the tax - primarily in Oregon it is between five and eight percent;
- Definition of who is subjected to payment - i.e., hotel, motel, bed and breakfast users, etc.;
- Any exemptions the Council might feel are appropriate;
- Determine if there will be an appeals process;
- Distribution method of the 70% to tourism - it is done differently around the state - some use a committee appointed by the Council with Council making the final decision; some have outside committees from the tourism/visitors industry; and some that contract with a separate entity, such as the McMinnville Downtown Association, would make the decision
- Use of the City's 30% share and whether that would be addressed in the ordinance.

Mr. Taylor advised holding a public hearing on the matter. He noted that staff could bring the matter back as a public hearing in one of the Council's March 2013 meetings.

Councilor Menke questioned whether the funds would be mainly administered by the Finance Department. City Manager Taylor stated that the Finance Department would be heavily involved and he would also be involved, especially in the discussion regarding how the discretionary funds were to be used. Councilor Menke asked how the funds would be distributed. Mr. Taylor suggested that the funds, at least in the beginning, could be remitted monthly. Councilor Menke lastly stated that she would be interested to see how the auditing would be done.

Councilor Hill asked about revenues estimated to be collected. Mr. Taylor responded that the one percent state tax had, in 2011, collected approximately \$65,000; and a six percent local transient tax, based on 2012 estimates, would be approximately \$390,000. Councilor Hill urged the Council to move quickly so those dollars could come into the community. He noted that the income could help the City complete significant projects. He

asked whether the development at the airport related to transportation or tourism. He noted that with a significant amount of tourism coming to the area by air, perhaps the proposed Fixed Base Operator (FBO) building project could be advanced with use of these discretionary funds. City Manager Taylor agreed to research the idea.

Councilor May stated that he would like to have an inventory of rooms available and he would like to hear from the public on the matter.

Councilor Jeffries stated that perhaps private homes, such as vacation home rentals, should not be exempt from the tax. City Manager Taylor cautioned that it could be difficult to capture the vacation home rentals. He agreed that once a draft ordinance is crafted, there should be discussions with the MDA, the Chamber, and others regarding exemptions and other topics associated with the transient tax.

Mayor Olson asked for consensus to move forward with a public hearing. By consensus, the Council agreed that a public hearing should be held on the Transient Tax proposal.

II-B

REVIEW OF ORDINANCE NO. 4950 REGARDING SECOND-HAND MERCHANTS AND PAWNBROKERS: Mayor Olson stated that this item was for Council discussion and information at this meeting. The new ordinance, removing the Sunset Clause of Ordinance No. 4950, would be acted upon at the March 12, 2013 Council Meeting. He asked for a staff report from Police Chief Noble.

Police Chief Noble applauded the efforts of Captain Dennis Marks and Code Enforcement Officer Kathy Holm and stated that they had worked diligently to develop common ground with the affected merchants. He then referred to the memorandum in the Council's packets from Captain Marks and Code Enforcement Office Holm and stated that the two of them have found a great deal of common ground with the affected merchants and have forged a way to help return stolen property to the rightful owners.

Captain Marks spoke about the success of the new ordinance and stated that staff has tried to make the transition to the new ordinance as smooth as possible. He noted that he and Ms. Holm have worked extensively with the merchants to get them used to the RAPID system. Some adjustments have needed to be made regarding pictures of the merchandise and staff has tried to be as responsive as possible to hardship situations. He pointed out the successes of the new ordinance, which include an increased return of stolen property; multiple arrests have been made; and, improved efficiency in tracking merchandise. He congratulated Ms. Holm's

abilities and her excellent working relationship with the merchants.

Amanda Erickson, 1210 SW Goucher Street, stated that she had questions regarding the ordinance. She noted that she and others had been told at the time of the ordinance adoption that the Police Officers would be trained on this and would have the information available in their patrol cars. This has not happened. Police Chief Noble agreed with Ms. Erickson's statement and stated that the officers are trained, but the program is not yet available in the police vehicles. Ms. Erickson also noted that most of the Officers do not understand the program and if Ms. Holm is on vacation, the merchants have had trouble getting information that they needed. She also stated that the merchants were not informed as to whether the victims get their property returned to them. Ms. Erickson reported that in the past, her father had entered several items at one time into the RAPID system, only to hit "submit" and then find that it has not entered the system. He then has to re-enter everything.

Police Chief Noble thanked Ms. Erickson for her comments and stated that although the Department has also had a "learning curve," they will absolutely do a better job in the future. Captain Marks advised that he would check with RAPID regarding failed submissions of data into the system and that if anyone has trouble making contact with Police Department Police Officers, they should contact either Captain Scales or himself.

Following a brief Council discussion regarding the ordinance and the support issues, Councilor May MOVED to renew Ordinance No. 4950; SECONDED by Councilor Hill.

City Attorney Haines interjected and stated that according to the terms of the Sunset provision in Ordinance No. 4950, the ordinance automatically sunsets on a specific date. She referred to the draft ordinance in the Council packets.

Councilor Menke MOVED to adopt the draft ordinance as referenced above. Councilor May rescinded his motion and SECONDED Councilor Menke's motion to adopt the draft ordinance as presented.

City Attorney Haines read Ordinance No. 4963 by title only reinstating the provisions of Ordinance No. 4950 and repealing Section 4 (the "Sunset" provision) of the Ordinance. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 4963 PASSED by a unanimous roll-call vote.

ADD ITEM: OREGON TRANSPORTATION INFRASTRUCTURE BANK

LOAN - TERMS AND CONDITIONS LETTER: City Manager Taylor referred to the letter from the Oregon Department of Transportation (ODOT) regarding the terms and conditions letter for the Oregon Transportation Infrastructure Bank Loan that had been placed at each of the Councilor's chairs. He explained that the letter informs ODOT that the City agrees with its initial terms and conditions and the Council and staff are ready to move forward with the project.

Councilor Ruden MOVED to approve having Mayor Olson sign the Oregon Infrastructure Bank Loan - Terms and Conditions Letter Newberg - Dundee Bypass Phase 1 letter as written; SECONDED by Councilor Menke. Motion PASSED unanimously.

III

NEW BUSINESS

III-A

DRAFT 2013 CITY COUNCIL GOALS AND OBJECTIVES: City Manager Taylor referred to the draft 2013 City Council Goals and Objectives and stated that if the Council was comfortable with the goals and objectives as presented, a motion would be needed to adopt the document.

Following a brief discussion, Councilor Hill MOVED to adopt the 2013 City Council Goals and Objectives as presented; SECONDED by Councilor Menke. Motion PASSED unanimously.

IV

RESOLUTIONS

IV-A

AUTHORIZING THE APPROVAL OF A COOPERATIVE FUND EXCHANGE AGREEMENT BETWEEN THE CITY OF McMinnville AND OREGON DEPARTMENT OF TRANSPORTATION (ODOT) KNOWN AS 2013 FUND EXCHANGE AGREEMENT, NO. 29,043: Community Development Director Bisset referred to the memorandum in the Council packets and stated that this year's agreement included an upward adjustment to the allocation. The 2013 allocations are included as well.

Responding to an inquiry from Councilor Jeffries, Mr. Bisset explained that if the City were to use the federal funds, all projects for which the funds would be used would have to follow federal guidelines and could only be used on arterial or collector streets and only those streets that were designated in "good" or "better" condition. He reminded the Council of the negative comments received from citizens a few years back when the City resurfaced some streets using federal aid funds.

Councilor Ruden MOVED to adopt Resolution No. 2013-4 authorizing the approval of a cooperative fund exchange agreement between the City of McMinnville and Oregon Department of Transportation (ODOT) known as 2013 Fund Exchange agreement, No. 29,043; SECONDED by Councilor Hill. Motion PASSED unanimously.

V ADVICE / INFORMATION ITEMS

V-A REPORTS FROM COUNCILORS ON COMMITTEE AND BOARD
ASSIGNMENTS: Each of the City Councilors gave a brief
report.

V-B DEPARTMENT HEAD REPORTS: Each department head present
gave a brief report.

VI ADJOURNMENT: Mayor Olson adjourned the meeting at 8:00
p.m.

Rose A. Lorenzen, Recording Secretary